

# Federal Accounting Standards Advisory Board

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## NEWS RELEASE

### **FASAB STAFF PUBLISHES TECHNICAL BULLETIN 2003-1, *Certain Questions and Answers Related to The Homeland Security Act of 2002***

The Executive Director of the Federal Accounting Standards Advisory Board (FASAB), Wendy Comes, announced today that the FASAB staff has issued Technical Bulletin 2003-1, *Certain Questions and Answers Related to The Homeland Security Act of 2002*. The primary effects of the technical bulletin are that:

- a. Legacy entities will segregate the net costs of continuing and transferred operations, and recognize a transfer-out for assets and liabilities transferred. Segregation of the net cost is required for both current and prior period net cost.
- b. Transferred entities will segregate the net costs of continuing and transferred operations for components of the transferred entity that (1) were not transferred from the legacy entity or (2) subsequent to the creation of the Department of Homeland Security were no longer included in the transferred entity's operations. Transferred entities will recognize a transfer-out for assets and liabilities transferred. Segregation of the net cost is required for both current and prior period net cost.
- c. Department of Homeland Security and other receiving entities will recognize assets and liabilities received at book value and recognize a "transfer-in." Financial statements based on the transfers and actual operations subsequent to the transfer will be presented.

The Technical Bulletin is available on the FASAB web site at <http://www.fasab.gov>. For individuals unable to access the electronic publication, copies may be obtained from FASAB by calling 202-512-7350.

## **ABOUT FASAB**

The mission of the FASAB is to promulgate federal accounting standards after considering the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, federal accounting standards and financial reporting play a major role in fulfilling the government's duty

to be publicly accountable and can be used to assess (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences of the allocation and various uses of federal resources.

For more information on FASAB, please visit our website: <http://www.fasab.gov>